CNO
Guidance for 2005

Winning the Fight…
And Bridging to the Future

> **Bringing the fight to our enemies is our mission.**
> **Transforming ourselves and our great institution for the**
> **dangerous decades ahead is our imperative.**
> **Our task: Prevail today while bridging to a successful future.**

We are engaged in war, and talented American warriors are bringing combat power to bear on the enemies of our country. In this fight, our Navy is making history as we contribute unprecedented reach, precision, persistence, and awareness to the joint force. That we have been able to do these things is no accident; excellence is never accidental. It is a habit born of the character and hard work of committed people in the service of their country. Our ability to attract, train, and retain these marvelous Americans is a testament to the health of our great institution and an indicator of our proper heading as we chart our course into the twenty-first century. We must use the lessons of today's fights -- both *against* the terrorists far from our shores and *for* talent and change within our Navy -- to forge tomorrow's Fleet.

I. Status Report

In last year's Guidance, I asked you to focus on winning the war on terror; get a better handle on our manpower requirements; accelerate our *Sea Power 21* capabilities; instill a culture of improved productivity; and maximize our operational availability. These are difficult tasks, and your performance resulted in tremendous achievements during the past year.

> ### *2004 Accomplishments*
> - Achieved operational success in the Global War on Terror
> - Began development of a Human Capital Strategy for the 21st century
> - Demonstrated the Fleet Response Plan's enhanced operational availability in SUMMER PULSE '04
> - Accelerated the Revolution in Training
> - Expanded new mission areas, including Missile Defense and increased support for land forces fighting the Global War on Terror
> - Created a vision to align people, capabilities, and infrastructure

Manpower. We have begun work on a Human Capital Strategy that makes sense for the 21st century. We would not be in a position to do that today had we not first tackled the fundamentals: <u>recruiting</u> the right people, increasing <u>retention</u> and attacking <u>attrition</u>. We built a mentoring culture, emphasized our commitment to diversity, and piloted personnel programs to further the Revolutions in Training and Detailing. In short, we continue to win the fight for the talented Americans who serve our Navy and our nation.

- ***Recruited our Nation's Best.***   We have increased the percentage of new recruits with college experience by 60% over FY03, while raising the percentage of recruits in the top 50th percentile of those taking the AFQT to 70%. We realigned and improved our diversity organization by establishing a Diversity Directorate within OPNAV N1 to oversee all diversity/equal opportunity issues. We also established a Diversity Senior Advisory Group to chart the way ahead for our diversity efforts.

- ***Strengthened the Total Force.*** We enhanced integration of the Total Force with initiatives aimed at active, reserve, and civilian components of the Navy. Development of career templates for our civilian workforce continued, and the use of workforce surveys tailored to 21 individual communities are helping to redefine how we accomplish our missions.

- ***Exceeded Retention Goals.*** Retention numbers for CY 04 remain strong as we exceeded goals in Zone B by .4 percent (70.4%), and Zone C by .6 percent (85.6%). The Navy's Zone A reenlistment rate was 54.4% which reflects Perform-to-Serve initiatives and early release programs to create a more experienced, better trained, and smaller force. We also updated attrition and retention methodologies to better analyze unplanned losses, while developing accession metrics to improve the predictability of a recruit's ability to succeed in the Navy.

- ***Better Aligned Personnel, Ratings, and Skill Sets.*** We continued the Perform-to-Serve program to align our personnel inventory and skill sets, and to instill competition in the retention process. More than 4,000 Sailors have been steered to undermanned ratings, and more than 42,000 have been approved for in-rate reenlistment since the program began.

- ***Created an Environment for Personal and Professional Success.***   Leaders throughout our Navy attacked the number one cause for attrition: illegal drug use. Overall losses due to illegal drug use are down 5.9 percent from last year. We increased testing by nine percent Navy-wide, yet reduced the number of positive samples by 20 percent since FY03. While these numbers are promising, leaders must make every effort to ensure testing is conducted in the most effective manner. We also continue to maintain a zero tolerance for sexual harassment and racial discrimination.

- ***Broadened Career Choices and Incentives.*** Assignment Incentive Pay enhanced combat readiness by permitting market forces to efficiently distribute Sailors where they were most needed.   Through 31 JASS cycles, we had 9,281 applications and 2,773 selections for duty around the world.

- ***Piloted Innovative Personnel Employment Initiatives.*** We are challenging all assumptions when it comes to determining manning strategies. The Fleet is implementing best practices from last year's Optimal Manning experiments to find the right mix of talent for pilot programs in USS NIMITZ and Carrier Air Wing ELEVEN. We've begun a new pilot program in USS DECATUR designed to allow Chief Petty Officers to fill the majority of Division Officer billets. And we are continuing our Sea Swap experiments with USS GONZALES, LABOON, and STOUT crews, even as we examine results from previous DD/DDG experiments to determine this concept's applicability to other ship classes.

Current Readiness. We have a responsibility to Congress and the taxpayers to ensure that our nation's Navy is properly provided for. That is why we have invested billions of dollars in training, maintenance, spare parts, ordnance, flying hours, and steaming days, so that the current force is better prepared than ever before to deliver persistent combat power whenever and wherever it is needed. Our readiness performance continues to be the best I've seen in my career.

- ***Flexed our Technological Agility in the Global War on Terror.*** We established innovative processes for pushing cutting edge technologies -- such as advanced sensors and biometrics -- to the Fleet, thereby increasing force protection and maritime interdiction capabilities.

- ***Answered the Nation's Call for Readiness.*** We maintained "6+2" readiness to consistently deliver six forward-deployed or ready-to-surge Carrier Strike Groups (CSGs) almost immediately, plus two additional CSGs in 90 days or less. We demonstrated "presence with a purpose" in a multi-CSG surge exercise, SUMMER PULSE '04, as well as the four-month deployments of USS RAMAGE and ROSS. We also surged USS BATAAN, BOXER, and KEARSARGE to enable Marine Corps deployments to ongoing operations in Iraq.

- ***Transformed to do our Work Smarter.*** We improved our maintenance processes and organizations to support FRP "6+2" criteria. We established the Fleet Maintenance Board of Directors, and consolidated Regional Maintenance Centers, Repair Supervisors, Fleet Technical Support Centers, and SIMAs within the Regional Maintenance Centers. We also extended Naval Aviation AIRSpeed process improvement methods to additional fleet intermediate and depot maintenance activities, with resulting improvements in cycle time, reliability, and cost.

- ***Raised Fleet Support to an All-Time High.*** Sea Enterprise created process improvement that resulted in greatly enhanced Fleet support with parts availability improving 76.6% to 84.2%, backorders dropping 41%, average customer wait time for parts declining 22%, and the number of items awaiting parts for repair at depots dropping 65%. We also established the Navy Range Office, consolidating management of Fleet training and range programs under a single office.

- ***Reduced Class "A" Mishaps by 24 Percent*** over FY03 totals, continuing on the glide slope to meet the DoD goal of a 50 percent reduction of class "A" mishaps between FY02-05.

- ***Adapted to Counter this Century's Threats.*** We advanced our Anti-Terrorism/Force Protection (AT/FP) capabilities, conducting a nation-wide AT exercise and expanding our vaccination programs to better protect personnel at home and abroad. We also developed and published complete revisions of AT/FP doctrine, published comprehensive security standards for ships and installations, and enhanced strategic direction for shore anti-terrorism, law enforcement, and physical security efforts.

Future Readiness. *Sea Power 21* is translating theory into practice on a wide range of advanced concepts and technologies -- ranging from our ASW Master Plan to the stand up of the Fleet ASW Command and ballistic missile defense -- that will significantly increase the combat effectiveness of the joint force. We are moving forward with the fundamental concepts of that vision to transform the way we fight.

- ***Sea Power 21.*** We analyzed and took corrective action on major OEF and OIF lessons learned, enhancing our capabilities for the future. We also developed and implemented the *Naval Transformation Roadmap* that can be found at (*www.oft.osd.mil/library/library_files/document_358_NTR_Final_2003.pdf*) and focused the Future Naval Capability program to close warfighting gaps and overcome technical barriers.

- ***Sea Strike.*** We continued USN-USMC TACAIR Integration with its new operational concepts that unify Navy and Marine Corps contributions to joint warfighting. We increased time-sensitive strike capabilities with the introduction of Tactical Tomahawk and with expanded use of advanced technology such as the Shared Reconnaissance Pod (SHARP), Advanced Targeting Forward-Looking Infrared (AT-FLIR), and Joint Helmet Mounted Cueing System. The Advanced SEAL Delivery System made its first deployment in USS GREENEVILLE, and we started conversion of the third of four SSBNs for conventional strike and SOF insertion.

- ***Sea Shield.*** USS CURTIS WILBUR conducted the nation's first ballistic missile defense patrol on 27 September 2004. Within two years, 18 warships will be fitted with a transformational ballistic missile surveillance, tracking, and engagement capability, extending the defensive reach of naval forces deep over land. Task Force ASW and CFFC developed a Navy ASW Concept of Operations, providing a high-level description of Sea Shield ASW concepts, force attributes, and warfighting principles. Recent results from Task Force ASW at-sea experiments yielded significant insights into revolutionary distributed ASW sensor technologies and communications that demonstrate the potential of this new ASW CONOPS. We also refined and upgraded the Mine Warfare Roadmap to expedite the fielding of new technologies and capabilities into the Fleet, demonstrated the defensive capabilities of Anti-Torpedo Torpedoes, and awarded a contract to design and develop the Multi-Mission Maritime Aircraft for maritime surveillance to replace the aging P-3.

- *Sea Basing.* With our number one joint partner, we began developing a Navy-Marine Corps concept of operations that will address the optimal ship mix for future ESGs and MPF(F) squadrons, and we took the lead in development of a Joint Integrating Concept for Sea Basing. We commissioned USS VIRGINIA (SSN 774), our first submarine designed for littoral missions, and accepted delivery of USS JIMMY CARTER (SSN 23) with significantly improved payload capability. We also approved baseline designs for Littoral Combat Ship (LCS) construction to begin in January 2005.

- *FORCEnet.* We expanded Fleet use of the Multi-Functional Information Distribution System (MIDS), and created a plan to transition our communications to a worldwide Internet Protocol using the advanced IPV6 standard. We developed a plan for increased use of unmanned systems in tactical ISR and collaborated with the Air Force to develop an Airborne Networking strategy for tactical as well as command and control aircraft. We began to align the C4ISR concepts of the four Services: FORCEnet (Navy and Marine Corps), C2 Constellation (Air Force) and LANDWARNET (Army). We are partnering with the Marines to develop the FORCEnet Functional Concept. We developed acquisition strategies and compliance checklists to ensure the procurement policies of our PEOs would deliver joint, interoperable systems within a capability construct. And we further defined baseline architectures and our commitment to open standards required for the use of secure web, email, chat, and collaboration in naval, joint, and coalition operations.

- *Sea Trial.* We conducted 43 different experiments, ranging from LCS concept of operations development to Missile Defense Surface Action Groups. We tested SSGN effectiveness in a joint scenario with networked forces at sea, in the air, and on land. We conducted the most complex and challenging ASW experiment ever in Undersea Dominance 04, while we pushed the envelope of innovation in dynamic bandwidth management and reach-back in Trident Warrior 04. We initiated leading edge technologies for future naval warfare including: X-Craft, an innovative ship to be used as a test platform for Littoral Combat Ship; an operational-scale electromagnetic rail gun; new concepts for persistent littoral undersea warfare; programs to enhance the joint tactical use of space; and Sea Basing enablers.

- *Sea Enterprise*. The "business" of running the greatest Navy in the world is transforming. The Sea Enterprise Board of Directors employed a disciplined financial targeting process for POM-06 that yielded $14.9B to apply to Navy-wide priorities. We stressed existing efficiency/mitigation initiatives valued in excess of $50B across the FYDP. In addition, we established a Corporate Business Council to facilitate business process transformation, and to foster a culture of productivity and continuous improvement. This forum of senior Navy leaders is chartered to:

  o Develop and advocate high potential, cross-functional initiatives and ensure enhanced performance and organizational efficiencies.

o Ensure savings are harvested and returned to the leadership for reallocation against other Navy priorities.

o Track and integrate Echelon II business initiatives, and facilitate barrier removal and organizational impediments to change.

o Ensure Sea Enterprise and CNO Echelon II Execution Review lessons-learned are leveraged across all commands.

Initiatives such as AirSpeed, Task Force Lean, SHIPMAIN, and NAVRIIP are also improving ship and aircraft support processes while sustaining readiness. In short, we've embraced Sea Enterprise as our collective responsibility, and we are focused on delivering the product of the plan more efficiently and effectively.

Quality of Service. Quality of Service is a balanced combination of quality of life and quality of work. Our goal and commitment is a Navy that provides good quality of life and work for our Sailors and their families. Over the past year, we have funded technologies and developed programs that enable our people to do their jobs more effectively and with the satisfaction that they are living lives of consequence in the service of our nation.

- ***Accelerated the Sea Warrior Revolutions in Training and Detailing.*** Training and detailing for our Sailors are critical components of their Quality of Service, and we have taken extraordinary steps in these areas.

  o Through the development of advanced simulators, we are enhancing operational readiness and training efficiency.
    - The Fleet Aviation Simulator Trainer (FAST) plan maximizes the utility of our training simulators and promises to achieve efficiencies in the Flying Hour Program.
    - The first Fleet Interactive Display Equipment (FIDE) was delivered this year, simulating an advanced nuclear propulsion plant to enhance nuclear power training.

  o We further embedded the Human Performance Systems model into every Navy acquisition and R&D program.

  o We awarded a contract for the construction of Battle Stations 21 at the Recruit Training Center, to immerse graduating recruits in realistic combat and operational scenarios.

  o We made great strides in aligning our training and education process to better target needed skill sets.
    - We issued Graduate Education Vouchers to support critical subspecialty codes, and provided Naval Postgraduate School on-line certificate programs

in Information Systems and Operations, Information Systems Technology, Space Systems, and Anti-Submarine Warfare.

- We expanded the number of officers enrolled in the Naval War College's intermediate level, CJCS-accredited Professional Military Education (PME) program at the Naval Postgraduate School by 16% and did so within existing resources by managing faculty loading and student capacity. This program affords officers the opportunity to complete an accredited master's degree, earn a P-code in an appropriate subspecialty, complete intermediate level service college, and achieve JPME I certification in about 18 months.

- We developed and fielded a CJCS-accredited, CD/ROM-based intermediate level PME program that awards JPME I upon completion, to create opportunities for officers not able to attend a service college in residence. We also established a PME continuum of learning to provide career-long educational opportunities for the professional and personal growth of all Sailors. It incorporates JPME and Navy PME with advanced education and leadership training, and will be a key factor in job assignment and career progression.

o We also instituted Navy-wide, web-based counseling and professional development tools on Navy Knowledge Online, giving Sailors the ability to map progress toward skill and educational goals, to include professional and college-level objectives.

- ***Invested in World-Class Housing and Services for our Sailors and their Families.*** We continue on a path to achieve 1+1 Bachelor Housing Standard by 2013, provide sea duty Sailors a BQ room off the ship by 2008, and eliminate community heads in bachelor housing ashore by 2007. We continued our program to eliminate all inadequate family housing by 2007 through privatization, military construction, or divestiture. We improved our partnerships with local schools in an effort to improve the performance of family members in schools and reduce the impact of PCS moves on our children. And we implemented "Navy One Source" customer service to provide expert help for Sailors and their families on service and community topics.

- ***Fought for Improved Pay and Compensation.*** We are better compensating our people for their valuable experience and skills by funding a 3.5 percent military pay raise this year, as well as enhanced special pays and bonuses.

- ***Encouraged the American Dream of Home Ownership.*** We reduced average out-of-pocket housing costs to <u>zero,</u> allowing Sailors and their families more of an opportunity to own their own homes and have a stake in their communities.

Alignment. At its most fundamental level, alignment within our Navy is about two things. It ensures that organizations, systems, and processes are constructed to effectively and efficiently produce a combat-ready Fleet geared to fight as part of the joint force. It is also about effective communications, ensuring that we share a common understanding of our missions and objectives, so that we speak one message with many

voices across the entire organization.   Over the past year, we launched numerous initiatives aimed at increasing the alignment within our institution.

- **_Enhanced Organizational Alignment._**   Over the past few years, we worked hard to better align our organization for twenty-first century success, and we are beginning to see the fruits of that labor throughout the Navy.

  o   We created the Commander, Fleet Forces Command (CFFC) to integrate policies and requirements for manning, equipping, and training all Fleet units. This year, we put in place a Fleet requirements generation process with CFFC as the lead Fleet integrator, to review and approve all Navy requirements documents, and provide formal Fleet input at all requirements generation levels. We also aligned the Navy Warfare Development Command and warfare centers of excellence under CFFC, to stimulate concept development and technology insertion to the Fleet.

  o   We created Fleet Type Commanders to lead their communities with one voice from the waterfront. That effort is now helping us to better design a twenty-first century Human Capital Strategy, and to refine our training and maintenance processes, and is providing essential leadership of our warfare communities.

  o   The Human Performance Center (HPC) was established to apply Human Performance and Human System Integration principles in the research, development, and acquisition processes. HPC will help us understand the science of learning and ensure training is driven by Fleet requirements. This is helping to provide better growth and development opportunities, eliminate performance and training deficiencies, save money, and improve readiness.

  o   We established the Commander, Navy Installations Command (CNI) to better guide the operations, administration, and support for Navy installations world-wide while reducing infrastructure management layers. With the establishment of CNI, we improved our capability to manage dispersed facility operations, conserve valuable resources, establish enterprise-wide standards, and improve our facility infrastructure.

  o   We established the Assistant CNO for Information Technology (ACNO-IT) to promote Navy-wide alignment between warfighting and business information technologies, and to ensure IT investments and resources are targeted for highest value efforts and return on investment.

  o   We also established the Commander, Navy Education and Training Command to serve as the Chief Learning Officer for the Navy and to be the single authority for individual training (officer and enlisted) strategy and policy.

  o   We identified and acted upon areas for improvement in the integration of our Total Force, streamlining Reserve headquarters and increasing Reserve access to

Active platforms and equipment. On any given day during 2004, more than 20,000 Reservists were on active duty engaged in Fleet and joint operations.

- *Aligned Installations and Research Offices in Support of Sea Power 21.* CNI developed a 25-year installation master plan, *Navy Ashore Vision 2030,* that supports Sea Enterprise, Sea Swap, the Integrated Global Presence and Basing Strategy, and the Fleet Response Plan. We also aligned ONR's Future Naval Capabilities/Enabling Capabilities research to fully support priorities in expeditionary logistics, and to prioritize Science and Technology investments to provide enabling and long-term capabilities for the joint sea base.

II. Leadership Guidance for 2005

Our many 2004 accomplishments are indicative of your superb leadership, initiative, and hard work. We will have urgent need of those qualities in the year ahead as we execute our wartime missions while bridging to the Navy of the future. In doing so, we must keep this in mind: the future will demand of us two attributes above all others -- speed and agility. This is true regardless of whether we're talking about combat or the adaptability of our technology and industrial bases. *We must do all that we can to increase the speed and agility of our great institution.*

We can only succeed in that endeavor if we can get the people with the right skills to the right place at the right time, and provide them with the professional and personal tools they need to be successful. A comprehensive Human Capital Strategy will do that, and it is therefore a crucial deliverable for our Navy.

We must also develop new concepts of operation and the systems to support them. We have to get to the fight faster and we have to seize and retain the initiative once there. That means increasing the operational availability of our forces by continuing to refine the Fleet Response Plan and its associated training and maintenance processes. That means studying our base structure to ensure that we are in a position to win. And it means lightening the load of joint forces going ashore and reducing our ground footprint. To that end, we must further develop the operational concepts and tools required for sea basing, pervasive awareness in the battlespace, and the delivery of precision, sea-based fires to support forces ashore.

Speed and agility also apply to the way in which we run the business of putting combat power to sea. We must expedite efforts to achieve true integration, even interdependence, with our joint partners, and to align our requirements and procurement decision processes more closely. And we need to look hard at shaping the technological and industrial bases to best deliver the fast and agile Navy of the future.

We are well underway in our Sea Enterprise journey, yet more needs to be done to generate resources necessary to implement our *Sea Power 21* vision. We must provide incentives for innovation in the workplace, and implement tools and techniques that enable the workforce to challenge existing assumptions, eliminate unnecessary costs, and increase efficiency and effectiveness. As leaders, we have a responsibility to create

opportunities for people to make a difference. Sharing best practices, and leveraging core competencies and continuous process improvement are essential ingredients to our success. The promise of increased effectiveness, productivity, and alignment can only be realized by extending both the extent and depth of collaboration across the enterprise.

As we evolve advanced concepts for employment of forces, we will also refine requirements, to include the appropriate number of ships, aircraft, and submarines. We will continue to develop concepts such as Sea Swap, and experiment with multiple crews for various platforms to not only better define how many platforms are required, but also how much infrastructure is needed to create and sustain them.

In sum, our goals for 2005 are to expand upon our asymmetric advantages -- readiness, advanced technology, dominance of the maritime domain, and the genius of our people -- to speed the process of innovation that is the bridge to our future.

2005 Navy Deliverables
- **Execute successful combat operations in the Global War on Terror**
- **Deliver a Human Capital Strategy**
- **Develop new concepts of operation and systems that support them**
- **Mature Sea Power 21 concepts and bridge toward joint interdependence**
- **Align requirements and procurement decision processes**
- **Refine our infrastructure needs**

Manpower. We are an organization on the move. We seek not to keep pace with change, but to lead it. And our people -- the Navy's capital assets -- are going to make that happen. I have said this before, but it bears repeating: At the heart of everything good that is happening in our Navy today is the vital fact that **we are winning the battle for people.** We are attracting, developing, and retaining a talented cadre of professionals who have chosen a lifestyle of service. Our ability to challenge them with meaningful, satisfying work that lets them make a difference is fundamental to our covenant with them as leaders.

To better fulfill this promise, we are in the process of developing a Human Capital Strategy that fits the twenty-first century -- a strategy that delivers the right skills, at the right time, *for the right work*. We would not be in a position to do that today had we not first invested heavily in our people, developed a mentoring culture, and realized unprecedented retention over the last few years. And while those efforts are paying the kind of dividends exemplified by our 2004 accomplishments, an optimum Human Capital Strategy will not be possible unless we challenge the assumptions inherent in our current manpower approach, that is, our default strategy.

To that end, we will pursue new technologies and competitive personnel policies that will streamline combat and non-combat personnel positions, improve the integration of Active and Reserve missions, and reduce the Navy's total manpower structure. We must

become a better educated, better trained and better compensated, but smaller workforce in the future.

However, let me make clear that this effort isn't about cutting the numbers in the workforce to save money, while dumping additional work on the backs of Sailors. We've been there before during the drawdown, and we are never going there again! We will change our processes to eliminate "make-work," and use available technology to do away with work that is unfulfilling. We're going to change policies and organizational structures -- like non-rated billets -- that inhibit the growth and development of our people. And we're going to build future ships and aircraft to maximize human performance while inspiring great leaps in human possibilities.

We have a lot of work to do here, and we are moving out smartly. Our Human Capital Strategy will serve our missions and Sailors in equal measure, recognizing the ultimate source of the Navy's competitive advantage lies in unleashing the power of our people; **the success of our Sea Warriors is the key to the success of our Navy.**

Guidance for Leaders:

- **Win in the Marketplace for Talent.**

    o Create community driven Human Capital Strategies and plans. Report on Human Capital Strategy task force accomplishments. (Task Force Total Force, all Echelon II Commanders, and community leaders, by June 05)

    o Develop metrics to provide more accurate retention and attrition statistics to better measure our effectiveness in shaping the force. At a minimum, include Fitness Report/Evaluation measures, as well as level of training and education invested. (CNP by March 05)

    o Continue to increase the quality of our recruits and the training they receive.
        - Increase the percentage of new recruits accessing to RTC with college experience to 15% (CNP)
        - Develop a statistical model to predict recruit success in Zone A with accuracy of greater than or equal to 90% (CNP)
        - Seventy percent of our recruits must score in the top 50th percentile of the AFQT (CNP)
        - Ninety-five percent of our recruits must have a high school degree or equivalent (CNP)
        - Review attrition tracking in training commands (RTC, OCS), considering approaches used by other Services, and report on findings (CNP, NAVSEA-08 assist, by May 05)

    o Expand our diversity framework.
        - Devise, evaluate, and implement a centralized system to track and report diversity metrics (CNP)

- Increase the number of women recruited into technical ratings by 2% over CY04 (CNP)
- Define diversity goals for civilian personnel with collaborative agreement among Echelon II commands (CNP)
- Increase the number of minority applications for commissioning programs by 25% (CNP)
- Develop an outreach program that celebrates our diversity of background, gender, ethnicity, and culture (CHINFO, by May 05)

- **Revolutionize our Personnel Structures.**

  o Continue development of Active/Reserve integration. Execute elimination of Naval Reserve "titles" and foster the Active and Reserve element of one Navy—the Total Force. (CFFC)

  o Study and report on the functions and role of the Reserve Component in the Navy of the future. (CFFC lead, CNR, by July 05)

  o Complete Active/Reserve recruiting consolidation. (CNP/CNR, by August 05)

  o Identify RC individual skills training and professional military education requirements for incorporation into Sea Warrior. (TF Warrior lead, CNR, CNETC, PNWC)

  o Assess progress and future directions for the personnel appraisal system and provide recommendations for improvement. At a minimum, examine the following: (CNP, by June 05)
    - Results of our pilot program for 360 degree evaluations
    - Linkage of civilian performance awards to mission accomplishment at reduced cost

  o Complete analysis and development of Navy Manpower and Personnel Strategy (NMAPS) metrics. Implement their use in the enterprise leadership decision-making process. Metrics, at a minimum, will include the areas of: (CNP, by September 05)
    - Fit (right person to right job)
    - Manpower Effectiveness
    - N1 Efficiency
    - N1 Productivity
    - Cost of Manpower

  o Review officer/enlisted/civilian emerging intelligence skill set requirements. Determine the level of specialization, manpower mix, and training requirements across the intelligence community necessary for – but not limited to – the following fields/issues: (OPNAV N2)

- Unmanned Vehicles
- ISR/T
- GMDA
- SPECWAR
- HUMINT
- MIO Support

o Complete the complex and long-standing goal of migrating personnel databases from legacy form to the modern IT environment. (CNP, by June 05)

o Incorporate DoD Resource Identification Codes into the Total Force Manpower Management System (TFMMS) to facilitate cost-effective labor resource allocations. (OPNAV N8, by August 05)

o Restructure the Navy's intermediate and senior service college programs to align them with the PME continuum. (PNWC, by September 05)

o Expand Navy's executive education and training curricula to ensure they maintain pace with enterprise needs. Target selected Captains and Commanders (O6/O5), and consider creating modules to support specific executive development needs (e.g., Human Capital Strategy development, business plan development, improving productivity, etc.). Design alternative training delivery vehicles/mechanisms (e.g., classroom, self-paced web-based training, web-based seminar, etc.). (Executive Learning Officer lead, CNP by September 05)

o Develop and offer a set of clustered elective courses at the Naval War College to complement the Executive Learning Officer's initiatives. These should produce skill sets that are identified and tracked by our personnel management system. (PNWC lead, CNP, by September 05)

Current Readiness. We have to get to the fight faster to seize and retain the initiative. That requires increasing the operational availability of our forces by continuing to refine and test the Fleet Response Plan (FRP). A key word in our future is "surge" and if a resource doesn't have surge capability we are not going to own it. Every part of the Fleet will be organized around this surge operational concept and its associated training, maintenance, and logistics processes. We must understand and adapt our warfare doctrine, supporting procedures, training, and schedules to take best advantage of FRP and other emerging operational constructs. And we must determine, accurately articulate, and continuously validate our readiness requirements. Taking prudent risks and attacking cost will permit us to fund essential requirements, optimizing the operational impact of today's Navy while creating a future Navy that capitalizes upon and can rapidly field new technology.

- **Win the Global War on Terror.**

  o Establish Expanded Maritime Interdiction Operations as a core USN capability, and develop new concepts of operation, training and education processes, and information sharing procedures to improve our capability to conduct Maritime Security Operations. Report on needed changes within the program to improve near and mid-term Navy capabilities and training for these mission areas. (CFFC lead, OPNAV N2, OPNAV N3/N5, NWDC, by April 05)

  o Improve on our maritime security cooperation initiatives.

    ▪ Increase the representation of countries identified in SECDEF's Security Cooperation Guidance and CNO's FY05-FY06 Maritime Security Cooperation Guidance in the Naval Command College and the Naval Staff College to at least 85% (OPNAV N3/N5 lead, PNWC)

    ▪ Develop a capabilities integration roadmap for the USN and USCG in support of the global war on terror (OPNAV N6/N7 lead, OPNAV N3/N5, OPNAV N8, by June 05)

  o Assess Law of Armed Conflict training throughout the Navy and make recommendations for improvements. (OPNAV N3/N5 lead, OJAG, PNWC, by March 05)

  o Develop proposals to better posture our force for the Global War on Terror and deter/dissuade traditional threats. (CFFC lead, OPNAV N3/N5, by March 05)

- **Increase the Operational Availability of our Navy.**

  o Refine the Integrated Readiness Capabilities Assessment (IRCA) process model started in CY04. Assess, analyze, and validate IRCA mitigations identified during POM 06, and deliver a plan to increase the visibility of non-recurring costs in Fleet readiness accounts. (OPNAV N4 lead, CFFC, by March 05)

  o Expand the Fleet Training Capability Cost System to include collection of actual resource consumption during the execution of Fleet training. This execution data will be used to improve programming, planning, and budgeting estimates. (CFFC lead, C2F, C3F)

  o Complete port maintenance activity consolidation into Regional Maintenance Centers (RMCs). (CFFC lead, OPNAV N4, by June 05)

o Review implementation of a Fleet Training System that incorporates processes of the Joint Training System. Develop training programs that plan, execute, and assess reporting based on METs. (CFFC, by October 05)

o Reduce class "A" mishaps by another 26% this year to continue toward the DoD goal of reducing class "A" mishaps by a total of 50% under FY02 numbers. Analyze FY04 class "A" mishaps to determine common causal factors and distribute lessons learned to all commands. Analyze aviation mishaps to determine areas of focus and cost-benefit for mishap reduction. (SAFECEN lead, all commands)

o Reduce mishap rates for private motor vehicle fatalities, class "B" flight mishaps, Navy civilian lost days, and off-duty recreation fatalities to meet DoD-mandated 50% rate reduction goal from FY02 numbers. (SAFECEN lead, all commands)

o Create a standard fleet training infrastructure that will support multi-platform, strike-group, and multi-strike group training. Infrastructure and standards must be Joint National Training Capability compatible. Coordinate with USJFCOM Joint Management Office. (CFFC)

o Conduct an Expeditionary Strike Group Sea Swap experiment in FY05. While awaiting live testing, conduct computer modeling simulation to provide initial assessments of feasibility and return on investment. (CFFC by Jun 05)

o Review ship (preventative/routine/intermediate/depot) maintenance practices and quantify corresponding return on investment. Report on innovative ways to support FRP readiness while preserving safe and effective operations. (CFFC lead, NAVSEA, TYCOMs, by May 05)

o Develop an installations strategy that supports the "one shipyard" Regional Maintenance Concept within the industrial base, and is aligned to add value to intermediate and depot sea frame, air frame, weapons and vehicle repair capabilities. (CNI lead, NAVSEA, by April 05)

o Develop plans to conduct multi-Strike Group and Strike Force training and experimentation in FY05 and beyond. (CFFC lead, OPNAV N3/N5, by February 05)

o Develop a Navy-wide retail spares inventory plan that supports Sea Enterprise objectives and Fleet Response Plan readiness. This plan will maximize allowancing innovations and pier-side/plane-side repair capability to achieve all goals within wholesale, retail, and other elements of inventory management. (CFFC lead, TYCOMs, by September 05)

- Review Strike Group training during the Integrated and Sustainment phases of the IDRC, and determine and prioritize joint training requirements, including joint and interagency Maritime Homeland Defense. Incorporate findings into training matrices and report results. (CFFC, by June 05)

- Identify naval intelligence functions best suited for the Direct Support manning construct. Implement Direct Support pilot programs in the Fleet. (CFFC lead, OPNAV N2, by July 05)

- Update FAST trainer contributions to Training and Readiness matrices and analyze the resulting efficiencies for the Flying Hour Program. (CNAF by March 05)

- **Provide Homeland Security and Force Protection.**

  - Develop an OPSEC foundation enhancement plan. (OPNAV N3/N5, by February 05)

  - Establish an Office of Chemical and Biological Defense to collaborate with the Joint Requirements Office, direct research, and oversee chemical/ biological intelligence and all aspects of the DOTMLPF processes. (SG lead, OPNAV N3/N5, OPNAV N6/N7)

  - Review Force Protection/Base Security organization, command and control architecture, training, and standardization, and report on feasibility and desirability of a consolidated Navy Security Force. Consider the following at a minimum: (CFFC lead, OPNAV N3/N5, CNP, by June 05)
    - Professional Master-at-Arms Officer community
    - Expanded training program for MA community that includes extensive weapons training and hand-to-hand combat, and capitalizes on joint training opportunities with other services, particularly the Marine Corps
    - Pier/gate sentry and small boat patrol policies for optimally manned units
    - Master-at-Arms detachments in surface combatants for MIO/LIO boardings, shipboard AT/FP and military police functions

  - Establish and implement standard metrics and reporting procedures for shore installation AT/FP training readiness, to include CONUS and OCONUS installations. (CNI lead, CFFC, by September 05)

  - Review results of San Diego and Norfolk Joint Harbor Operations Center (JHOC) pilot program, and recommend alternatives for expansion. (CFFC lead, OPNAV N3/N5, CNI, by April 05)

Future Readiness.   Bridging to the future requires innovation, experimentation, and rapid technology insertion that will result in mid- and long-term war fighting improvements. Speed, agility and a commitment to joint and coalition interoperability are core attributes of this evolving Navy. Further analyzing, understanding, and applying prudent risk to capability and program decisions are essential to achieving future war fighting wholeness.

Guidance for Leaders:

- **Sea Power 21**

    o Develop and implement an improved process to gather lessons from current operational missions, training events, operational tests, and experiments and incorporate expeditiously into training capabilities through formal NMET-based training system. (CFFC lead, NWDC)

    o Develop a plan to improve strategic and operational planning capability on Joint and Navy Staffs, afloat and ashore. (OPNAV N3/N5 lead, PNWC, by March 05)

    o Develop and evaluate a Joint Force Maritime Component Commander's (JFMCC) course for flag officers in FY05. (PNWC, by September 05)

    o Develop a roadmap, with milestones and metrics, to implement the guiding principles established in the Naval Ashore Vision for 2030. (OPNAV N4 lead, CNI, by March 05)

    o Establish metrics for measuring the success of Human Systems Integration in the acquisition process. (CNETC lead, CNP, Virtual SYSCOM)

    o Survey and report on unmanned platforms that exist in other services or branches of the US government, or that are in near-term development (able to be deployed in experiments), and that provide potential capabilities to improve counter-terrorism and AT/FP effectiveness. Forward recommendations on needed FY 05 and FY 06 reprogramming measures to accelerate our nation's current advantages with these technologies. (OPNAV N6/N7 lead, OPNAV N8, ONR, NAVAIR, NAVSEA, SPAWAR, by April 05)

    o Integrate alternative futures into analytical agenda products in support of Navy's strategy and Global CONOPs. (OPNAV N3/N5)

    o Further develop productive ratio processes, models, and techniques and apply them to achieve additional efficiencies as we refine program requirements during PR07. Expand productive ratio thinking beyond aircraft inventory and

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examine non-aircraft, aviation procurement programs and associated inventories. (NAVAIR lead, OPNAV N8)

- o Double the capacity of the Naval Operational Planners Course to increase the number of qualified joint operational planners. (PNWC, by April 05)

- o Develop a common productivity metric and consistent accounting method for direct and non-direct labor for all Navy public shipyards. (OPNAV N4 lead, NAVSEA)

- o Develop an analytical process for warfighting "wholeness" and a methodology by which modernization plans can be evaluated for return on investment (e.g., platform life cycle cost), overall value to warfighting and risk. (OPNAV N6/N7)

- o Develop and submit legislative proposals that will accelerate our transformation efforts and eliminate barriers to change in our Navy. Proposals that impact our budget should be submitted via the chain of command by 15 February. All other proposals should be submitted by 15 June. (OLA lead, all Echelon II Commanders)

- **Sea Strike**

  - o Achieve Initial Operational Capability (IOC) for Naval Fires Control System (NFCS) in ships with the 5"/62 gun. (OPNAV N6/N7)

  - o Partner with the Marine Corps to complete development of Joint Fires in Support of Expeditionary Operations in the Littoral Initial Capability Document. (OPNAV N6/N7)

  - o Coordinate a joint weapons investment strategy with the other services that aligns to the OSD Joint Weapons Roadmap. The strategy will take advantage of technology insertion to reduce redundancies and gain flexibility in execution of missions. Include a partnership with the Air Force for strike weapons development. (OPNAV N6/N7 lead, NAVAIR, by September 05)

  - o Conduct Silent Hammer II to further develop SSGN/SOF CONOPs. SH II should employ aerial sensors (UAVs) in addition to ground sensors and exercise full range connectivity links. (NWDC)

  - o Move from *reconnaissance* to *persistence* in ISR. (OPNAV N6/N7 lead, OPNAV N2, by May 05)
    - Determine ISR requirements to support independent targeting for DD(X), including organic UAV capability.
    - Develop an unmanned vehicle strategy that moves us from joint deconfliction to integration to interdependence, and accelerates the

introduction of UV's into the force. Consider Navy-SOF standardization options for tactical UAVs.

- Develop an alignment plan for unmanned vehicle development with the USMC.

- **Sea Shield**

  o Accelerate delivery of new ASW technologies to the Fleet for at-sea experimentation and deployment. Include experimentation with "thinking" sensor fields. (Fleet ASW Command lead, NWDC, TF ASW by July 05)

  o Develop an investment strategy for CSG and ESG netted force operations, including evaluation of an elevated sensor for the ESG and optimization of CG/DDG combat system modernization. (OPNAV N6/N7)

  o Develop an overall operational, programmatic, and technical strategy, complementary to MDA's strategic plan, outlining the Navy's capability to defend the Sea Base from ballistic missiles and provide joint regional missile defense to APODs, SPODs, and maneuver forces ashore, while also supporting the national missile defense capability. (OPNAV N6/N7)

  o Establish a concept of operations and interceptor deployment plan for initial SM-3 engagement capability in support of regional Ballistic Missile Defense missions. (CPF lead, CFFC, NWDC)

  o Develop a permanent capability to provide Military Sealift Command force protection. (MSC lead, OPNAV N3/N5, CFFC)

  o Define the battlespace for the ESG and its role in the Global War on Terror. Refine Navy GWOT capabilities needed to support the Homeland Security and Homeland Defense missions. (OPNAV N6/N7)

  o Fully field the 5" gun BB round to enhance capability against the small boat threat. (CFFC)

- **Sea Basing**

  o Complete a study to address the EMW lift requirements of a rapid response force, follow-on response force, and a surge response force as part of the Defense Planning Guidance and associated timelines. (OPNAV N6/N7)

  o Study and develop proposals for alternate propulsion methods for submarines and surface combatants. (NAVSEA lead, ONR by July 05)

- Complete the Expeditionary Strike Group (ESG) proof of concept study, and provide ESG staff structure and flagship alteration recommendations. (CFFC, by April 05)

- Designate an Expeditionary Strike Group to serve as a prototype "Global War on Terror ESG." Work with Marine Corps Combat Development Command to recommend necessary Navy and Marine Corps capabilities, command and control architecture, and force posture. (CFFC, by February 05)

- Provide a cost-constrained roadmap for Sea Basing in the joint warfighting environment that evaluates needs and options for the following elements: (OPNAV N6/N7 lead, CFFC, OPNAV N4, by June 05)
    - MPF(F)
    - LHA(R)
    - Logistics CONOPs
    - Inter-Theater Connector (High Speed Sealift)
    - Intra-Theater Connector (High Speed Connector)
    - Tactical Assault Connector (LCAC(X))

- **FORCEnet**

    - Complete development of a common global address directory accessible by all users of NMCI, One Net, and IT21. (ACNO-IT lead, NETWARCOM, by September 05, IPR by March 05)

    - Develop a strategy and CONOPs with integrated funding requirements for Information Operations in the following areas: (OPNAV N3/N5 lead for CONOPs, OPNAV N6/N7 lead for funding requirements, by May 05)
        - EW
        - CNA/CND
        - PSYOP
        - MILDEC
        - OPSEC

    - Develop the Naval Space Strategy and Campaign Plan to ensure joint development that incorporates the role of the Space Cadre and capabilities required to operate in the maritime environment. (CFFC lead, with OPNAV N6/N7, OPNAV N3/N5, NETWARCOM, CFFC, SPAWAR, PEO C4I, PEO Space)

    - Report on key space-based capabilities required for global vessel tracking and identification. (OPNAV N6/N7 lead, OPNAV N2, by June 05)

    - Determine and report on the afloat and ashore Computer Network Defense metrics to measure the success of monitoring tools, implementation of IAVAs and IAVMs, security awareness programs, and compliance with

USSTRATCOM/JTF GNO network security requirements. (ACNO-IT lead, NETWARCOM, OPNAV N6/N7, by March 05)

- o Expand the use of simulators to enhance training and efficiency, and to replace outdated training systems, per Task Force Simulation. Report progress on the following: (CFFC lead, TYCOMs, by June 05)
  - Strike group training
  - Multi-platform, mission linked tactical flight training
  - Integrated bridge and CIC training
  - Shipboard Engineering and Damage Control

- **Sea Trial**

  - o Develop a fiscally-informed process that assures a coherent S&T to R&D to procurement continuum that is disciplined and has termination options for non-promising/non-capability contributing programs and activities. (OPNAV N6/N7 with CFFC, NWDC, ONR)

  - o Establish a Navy-wide CONOPs database, and coordinate and deconflict CONOPS development. (NWDC by March 05)

  - o Accelerate the rate at which R&D and experimentation reaches the Fleet. Review NWDC manning and funding to adequately support a robust doctrine and CONOPs development/adjustment/lessons learned program. Report status and options that include the following subjects at a minimum: (CFFC, by March 05)
    - Alignment with S&T efforts
    - Speed of technology insertion
    - R&D Business plan
    - Experimentation with pilot programs for rapid technology insertion

  - o Develop and report options to increase bio-diesel use in non-deployable vehicles. (OPNAV N4 lead, ONR by June 05)

  - o Deliver a plan to apply new technologies and operational practices to increase fuel savings and the use of alternative fuels. (CFFC lead, ONR, by May 05)

Quality of Service. The quality of service of our Sailors, their families, and our civilian workforce is a top priority in carrying out our mission. We will foster innovation and support technologies that will enable our people to do their jobs more efficiently and effectively. Our ability to identify the work content for every Sailor and civilian is directly linked to and will be the foundation of the 21st century Navy's comprehensive Human Capital Strategy. Quality of service is the daily manifestation of our commitment to people.

- **Invest in the Continued Growth and Development of our Sailors.**

  o Review and recommend ways to more tightly fit educational experiences to job requirements. Consider the following: (CNETC, by September 05)
    - Lifetime learning requirements for officer and enlisted personnel
    - Professional Military Education (PME) requirements
    - Using the RAND study as a springboard, cross-reference required corporate skill-sets with current officer corps to determine what the undergraduate education prerequisites are for success.
    - Evolve Navy's executive education training curriculum to ensure it maintains pace with enterprise needs. Consider creating modules to support specific executive development needs (e.g., human capital strategy development, business plan development, improving productivity, etc.).
    - Design alternative training delivery vehicles/mechanisms (e.g., classroom, self-paced web-based training, web-based seminar, etc.).
    - Evaluate voluntary education programs and processes to identify most beneficial strategies for Sailors to meet both professional and personal goals.

  o Submit plan for the development of an Information Operations cadre. This cadre will focus on both kinetic and non-kinetic options for joint and maritime effects-based operations. (NETWARCOM lead, CNP, by June 05)

- **Emphasize Pride and Professionalism in our Navy.**

  o Monitor and report on reducing unintended attrition by 10 percent from CY04. (CNP)

  o Continue elimination of inadequate housing. (OPNAV N4)
    - Eliminate all inadequate bachelor and family quarters by 2007
    - Achieve Homeport Ashore by 2008

  o We have made significant progress in reducing illegal drug use Navy-wide, and we need to continue to attack this problem. Reduce illegal drug use by 25 percent from CY04. (All)

  o Reduce alcohol-related incidents Navy-wide by 25 percent from CY04 (All)

Alignment.   Our object is to unify the entire Navy and deepen the cultural change in our institution so that our organizations, processes, communications (internal and external) and actions align with our institutional values and priorities. We will nurture those beliefs that make the United States Navy a world-class organization, setting the standard for warfighting effectiveness and technological agility.

Guidance for Leaders:

- **Continue Fleet and Organizational Alignment.**

  o Develop a plan to complete Fleet staff alignment. (CFFC lead, CPF, CNE, by May 05)

  o Consolidate MSC type commander execution functions into the Military Sealift Fleet Support Command. (MSC)

  o Propose options to align Echelon II commands to best support Sea Enterprise objectives. (DNS lead, OPNAV N4, by May 05)

  o Realign IO/IW missions and resources to NETWARCOM. (NETWARCOM lead, COMNAVSECGRU)

  o Align and consolidate global authorities, functions and resource responsibilities for Fleet N6 staffs under NETWARCOM, to include NAVEUR, NAVCENT and TYCOMs. Realign Echelon II Information Assurance Activities and resources into NETWARCOM, to support Navy Designated Approval Authority (DAA) roles and responsibilities. (NETWARCOM lead, All Fleets, TYCOMs and Echelon II Commands, by May 05)

  o Complete the integration of all MSC Area Commands and begin the consolidation of MSC type commander execution functions into the Military Sealift Fleet Support Command. (MSC lead, Fleets, by May 05)

  o Establish a national Global Maritime Intelligence Center at NMIC to integrate DoD, DHS, and allied intelligence resources to support global maritime surveillance, global MIO, and Maritime Homeland Protection (MHP) of the U.S. (ONI, by May 05)

  o Implement *Playbook 2005: Navy Strategic Communication Plan* throughout every level of our organization. (All Echelon II Commands)

  o Streamline the Shore Installation Management organization by: (CNI lead, NAVFAC, OPNAV N4, by May 05)
    - Integrating Public Works Departments and Regional Engineer staffs into NAVFAC Facilities Engineering Commands (FECs)

- Creating one Navy Public Works delivery model by integrating independent Public Works Departments into FECs
- Providing a single Shore Installation Management financial system to all CONUS and Hawaii Regions in FY05, with OCONUS to follow in FY06

  o As the Active Component lead for Active-Reserve Integration, develop a plan and milestones to complete the integration process. (CFFC, by May 05)

- **Sea Enterprise: Continue our Development of a Culture of Improved Productivity.**

  o Review financial, personnel management, and organizational alignment impediments to attaining Sea Enterprise objectives. Develop proposals for removing these barriers. (OPNAV N8 lead, DNS, CNP, by May 05)

  o Facilitate business process transformation and foster a culture of productivity and continuous improvement enterprise-wide. Develop and advocate high potential, cross-functional enterprise initiatives and ensure enhanced performance and organizational efficiencies are not lost in the "white space." Ensure savings are harvested and returned to the corporation for reallocation against other corporate Navy priorities. Track and integrate Echelon II business initiatives and facilitate removal of organizational impediments to change. Ensure Sea Enterprise and CNO Echelon II Execution Review lessons-learned are leveraged across the Navy. (Corporate Business Council)

  o Develop corporate business plans with supporting human capital and information technology management elements. Plans should address strategies for achieving Sea Enterprise objectives. (All Echelon II Commands, by May 05)

  o Define organizational roles and responsibilities, and align infrastructure and enterprise application resources associated with the stand-up of ACNO-IT. Develop/synchronize enterprise approach to: (ACNO-IT lead, Echelon II Commands, Functional Area Managers, by May 05)
    - Enhance information technology portfolio management, aligned with OSD Business Management Modernization Program
    - Capitalize on investments to Navy information management infrastructure by consolidating servers Navy-wide and Migrating legacy networks to the enterprise solution (NMCI, IT-21 and/or BLII)
    - Develop/enforce IM/IT Navy-wide policy/standards
    - Establish IM/IT accountability/performance metrics
    - Achieve 90% Federal Information Security Management Act (FISMA) certification and accreditation for Mission Critical/Mission Essential systems in the DoN IT Registry

- o Develop metrics linked to outputs for principal lines of Echelon II business sectors. When aggregated, metrics will be used to evaluate enterprise-wide business performance. (All Echelon II Commands, OPNAV N4, by May 05)

- o Incorporate "lean" methods in industrial facilities ashore and afloat. Coordinate with Task Force Lean to reduce industrial footprint ashore by 30%. (CNI lead, OPNAV N4, CFFC)

- o Reduce energy consumption. (CNI and OPNAV N4 lead, ONR)
  - *Shore Facilities:* Achieve the 2005 increment of a 35 percent energy consumption reduction per gross square foot by 2010 relative to 1985
  - *Industrial Facilities/Labs:* Achieve the 2005 increment of a 25 percent energy consumption reduction per gross square foot by 2010 relative to 1990
  - *OPNAV N4:* Develop Sea Enterprise standards for competition and awards
  - *ONR*: Develop implementation plan for alternative fuel/technology employment in vehicle pools

Leadership/management follow-up: To assist in tracking the progress of these efforts, all executive agents are to provide updated status reports on each assigned task to the Director, Navy Staff (DNS) by the final business day of each quarter. For those commands listed as the lead agent for multi-command tasks, you will coordinate the efforts of all assigned commands and provide a consolidated status report to DNS.

III. The Way Ahead: Bridges to the Future

In the 21st Century, our Navy must adapt to the conditions of the new strategic environment and the forces of technological change. Our leaders must maintain a war-winning focus in the near-term as well as the means by which we will bridge to the future. There are five principal bridges to our vision of the future:

- **Refined Operational Concepts** to deliver the kind of dominant military power from the sea envisioned in *Sea Power 21*. We will continue to pursue the operational concepts for sea basing persistent combat power, moving beyond the enabling function of securing military access, to deliver decisive joint capability. As part of that effort, we will enhance the effectiveness of our combat logistics force capacity, and we will build a Maritime Prepositioning Force (MPF) with higher-capability alternatives to support sea basing a greater proportion of Marine Corps tactical aviation, other supporting functions, and logistics. We will also press forward with multi-crewing initiatives that allow ships and aircraft to operate forward-deployed where they are immediately employable and to increase our surgeability.

- **Alignment** to best organize our personnel and resources across the Navy to support the Fleet, training and education of our personnel, and the synergies of our various

Echelon levels. We will eliminate redundant activities within and across our organizational boundaries, while we continue to clarify OPNAV/Echelon II alignment, including reporting relationships, roles, and responsibilities.

- **Sea Trial** to increase levels of operational, organizational and technological agility. We will invest in technology and systems to enable naval vessels to fight above their weight, delivering increased combat power in every tactical and operational dimension. We will pursue network-based, cross-platform systems for fusing sensor information and for supporting multi-static processing of sensor signals delivered in large part by sea-based, unmanned tactical surveillance systems. We will also invest in technology and systems to enhance the survivability of the joint force against anti-access threats and dangers of the dense littoral environment.

- **Sea Enterprise** to increase the pace of innovation throughout our Navy. We will create an environment that supports the rapid implementation of improved processes. We will also continue to place priority on the deliberate pursuit of efficiency and cost containment. A culture of readiness is our objective yet readiness at any cost is not an option! We must reward innovation and efficiency while leveraging technology to improve performance, facilitate process improvement, and minimize manpower costs.

- **Sea Warrior** to empower our people with a lifetime of learning, with technology that is integrated with the human being, and with more choices and incentives in a competitive career environment. We will also fundamentally change the nature of the work that we do by investing in smart ship technologies and by condition-based maintenance with systems that identify when maintenance is necessary. And because the nature of the work will change, we will reassess and modify the fundamental elements of our personnel structure to maximize the benefits of that change.

IV. Conclusion — A Winning Organization

The evidence is clear: we are moving out in a positive direction on all of the major issues of the day. You have set a standard of excellence, from success in recruiting and retention, and the unparalleled availability of our forces, to the new and more capable ships, aircraft, and shore infrastructure we are fielding to fight the Global War on Terror.

Our mission remains bringing the fight to our enemies. We will execute the Global War on Terror while continuing our transformation for the future. Your effort and your accomplishments have set in motion forces of change, beginning the journey that I believe we must undertake if we are to maintain the greatness that our 229 years of naval history has bestowed upon us. But change is demanding, difficult, and uncertain in its effects. It requires extraordinary effort, especially for a large, public institution. And it is precisely for these reasons that change must be harnessed as a positive force in our Navy.

To accelerate positive change within our Navy, our behavior must also reflect our organizational values of honor, courage, and commitment. Leadership must drive this

alignment of values and behavior; the Sailors who serve our great nation deserve nothing less. With clear and consistent standards, we will raise the bar of personal behavior, foster esprit de corps and cultivate an environment of personal responsibility for the collective excellence of each unit, each command, and the entire Navy. We must be more diligent in looking after the health of our entire Navy family. In particular, we must deepen our commitment to prevent alcohol abuse, violent crime, spouse and child abuse, and blue-on-blue incidents. To do this, we must adhere to the highest standards of ethical and personal conduct. It is our responsibility as leaders to practice intrusive leadership, and to establish a framework for personal excellence that signals to those we lead that high standards of conduct matter in everything we do: in hostilities, on the waterfront, in the office, and with our friends and family.

Remember, our people remain at the heart of all that is good in our Navy. Our expectations for 2005 remain high, and we will continue to provide new opportunities for growth and development of our Sailors. 2005 will herald a time of positive change, and advances in Sea Warrior will change the structure and shape of our personnel force while advancing improvements in our Human Capital Strategy. As a Navy, we will also provide new capabilities and concepts to bridge to the future--even while you superbly execute your mission with the tools at hand.

Positive change is the bridge to our future. To get there we must also think anew about the opportunities that we have now to make our Navy even better. Tomorrow's Navy will, in many ways, be strikingly dissimilar to our Navy today. But one thing is clear: the business of the Navy will always be combat, and victory is both our mission and our heritage. Therefore, my guidance to you this year is to bridge to the future, taking us from today's fight to tomorrow's victories.

Strategic Objectives

- ***Win the Global War on Terror***
- ***Improve readiness for global response***
- ***Integrate Sea Strike, Shield, Basing and FORCEnet into the Joint Force***
- ***Capture funds through Sea Enterprise to recapitalize our Navy***
- ***Develop the 21st century workforce***

For further assistance, contact CNO's Public Affairs office at 703-692-5304

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